

January 12, 2005

P-6632

Ethan Construction LLC
3100 Airport Way South
Seattle, Washington 98134

Attention: John Jack

via facsimile: (206) 447-0299

Proposal: **Geotechnical Engineering Study**
Proposed Access Road
Existing Rainier Commons Development
3100 Airport Way South
Seattle, Washington

Dear Mr. Jack:

We are pleased to present this proposal to provide geotechnical engineering services for the access road project in Seattle. The purpose of our work would be to explore subsurface conditions, and to provide recommendations for temporary and permanent slope cuts, retaining wall design, and earthwork placement criteria.

We understand that the access road will extend around the eastern side of the existing buildings on the site. Some excavation has already been done, and the Seattle Department of Transportation (SDOT) put a Stop Work Order on the property. Ultimately, cuts of up to about 20 feet are proposed at the eastern edge of the proposed road. We understand that, because the eastern edge of the road abuts Washington Department of Transportation (WSDOT), you intend to obtain permission from WSDOT to slope cut onto their property in order to reduce the size of retaining walls. This project will have to be approved by SDOT, WSDOT, and Seattle DPD.

We propose to explore the site by excavating several test pits in the area of the proposed access road. You would provide the trackhoe. A geotechnical engineer from our firm would log and sample the test pits during excavation. Recovered samples would be examined in the office, and selected laboratory tests would be conducted.

We understand that a meeting will be set up with the design team, including the geotechnical engineering consultant, and WSDOT to discuss making excavations on their property. We already attended one meeting with the design team at SDOT.

Following the completion of the field work, laboratory testing, and engineering analysis, as well as one meeting with WSDOT, we would submit two reports (one for SDOT where the project encroached a city street right-of-way, the other for WSDOT and Seattle DPD) that would include the following:

1. A discussion of site conditions.
2. The test pit logs and laboratory test results.
3. A site plan with exploration locations.

4. Temporary and permanent slope inclination recommendations.
5. Foundation design criteria for retaining walls.
6. Earth pressures for retaining wall design.
7. Pavement design guidelines.
8. Earthwork placement and compaction guidelines.

Our fee for this phase of the work would be \$3,800.00, not including the trackhoe subcontractor fees. This lump sum fee is based on our standard schedule of charges and general conditions, which is attached and made a part of this agreement. This fee assumes only one meeting with WSDOT, and that WSDOT will also provide us with information regarding the columns that support the freeway that is adjacent to the site.

The quoted fee is for our services through preparation of the report. We expect that the report would be available approximately four to five weeks after receiving authorization. We would be available to discuss the results and our preliminary recommendations after the completion of the site exploration.

Subsequent consultation and testing services during the design and construction phase would be charged on a time-and-materials basis in accordance with terms and conditions of our attached schedule of fees and general conditions. This work often includes a review of the geotechnical aspects of the plans and interaction with the architect, civil engineer, and structural engineer, and any other meetings with WSDOT, SDOT, and/or Seattle DPD. This work also includes providing geotechnical engineering observations and testing during construction. Unless otherwise notified by the owner, we would assume that your acceptance of this proposal is also authorization to consult with the design team as required on a time-and-materials basis.

The test locations would be backfilled at the time of exploration; however, some settlement may occur after a period of time. The fee quoted in this proposal does not include future site visits for additional backfilling, nor does it include the restoration of landscaping.

Please indicate, on the Statement of Acceptance, that you authorize us to proceed with the above work in accordance with the terms of this proposal and the Fee Schedule and General Conditions. If you are not the owner of the property, please provide us with the owner's name, address, and telephone number. This proposal is applicable for a period of 90 days from the date prepared.

Please return one executed copy for our records, along with the legal description of the property. If a site plan has not been given to us, please provide us with this plan or other information showing property dimensions and development plans. We would also appreciate any available information regarding any existing on-site utilities, private or public.

We look forward to working with you. If you have any questions regarding this proposal, please contact us.

Respectfully submitted,

GEOTECH CONSULTANTS, INC.

A handwritten signature in black ink, appearing to read "D. Robert Ward".

D. Robert Ward, P.E.
Principal

Enclosure: **Fee Schedule and General Conditions**

DRW: esn

STATEMENT OF ACCEPTANCE

We/I hereby accept this PROPOSAL and the terms of the enclosed
FEE SCHEDULE AND GENERAL CONDITIONS:

SIGNATURE: _____
****Note:** *The architect/engineer/real estate professional should not sign this agreement unless he/she has express authority to sign the agreement on the project owner or developer's behalf.*

PRINTED NAME: _____

DATE: _____

COMPANY NAME: _____

COMPANY PHONE: () _____ **FAX:** () _____

BILLING ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP CODE:** _____ - _____

Would you like our liability ("Errors and Omissions") limitation increased? **YES** _____ **NO** _____

If you do not indicate Yes or No, the liability limitation will be equal to our fee. Refer to the Fee Schedule and General Conditions.

IF YES, please circle the amount you would like it increased to: \$50,000.00 or \$1,000,000.00*.

Please note that this liability limitation may be increased to \$50,000.00 for an increase in our fee of the greater of \$200 or 10% of the project fee, or to \$1,000,000.00 for an increase in our fee of \$1,000.00, or 10%, whichever is greater.

* *The higher liability limitation is \$1 million, or the amount remaining of a \$1 million annual claims aggregate, whichever is less.*

Are you the owner of the property? **YES** _____ **NO** _____ (IF NO, please provide this information below)

PROPERTY OWNER: _____

PHONE NUMBER: () _____

FAX: () _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP CODE:** _____ - _____

GEOTECH CONSULTANTS, INC.

FEE SCHEDULE AND GENERAL CONDITIONS

Effective January 1, 2005

The compensation to Geotech Consultants, Inc., hereafter referred to as GCI, for our professional services is based upon and measured by the following elements, which are computed as set forth below. This fee schedule is subject to change. Continuing projects will be billed by the fee schedule in effect at the time our services are performed.

A. Personnel Services

1. Hourly time charges, which include travel time, are listed below:

Principal	(b) (6)
Project Manager/Senior Engineer/Senior Geologist	
Staff Engineer/Geologist/Environmental Assessor	
Senior Technician	
Technician	
Draftperson	
Secretary/Word Processor	
Legal Consultation/Depositions/Expert Witness	
2. Overtime rates of 1.4 times the regular rate will be charged for overtime hours, if the Client's requirements make overtime work necessary. Overtime is defined as services beyond eight hours per day, including travel time, and services on holidays, Saturdays, Sundays, or before or after normal working hours.
3. These rates are subject to change and do not include applicable taxes.
4. There is a two-hour minimum site visit charge. The Client may also be charged a minimum of two hours for site visits cancelled on the day scheduled.

B. Equipment, Outside Services, Travel Expenses

1. Mileage (portal to portal) \$0.48/mile
2. Meals, lodging, etc. on overnight business cost+15%
3. Reimbursable expenses, such as drilling, backhoe, analytical or chemical laboratory services, rentals, printing, photographs, permits, etc. cost+15%
4. Geotechnical or environmental report copies beyond initial three copies \$15/report
5. Document copies, other than reports, not including secretary time \$0.15/page
6. Equipment charges (portal to portal) on equipment owned by GCI
 - a) Transit, self-leveling level, or inductive metal detector \$25/day
 - b) OVA or PIO meter \$100/day
 - c) Draeger tubes or disposable bailers \$5/each
 - d) Nuclear densometer \$5/hour
 - e) Water filter for groundwater samples \$20/filter
 - f) Slope inclinometer \$200/day
 - g) Turbidity monitoring equipment \$10/day

C. Laboratory Fees

1. Outside laboratories cost+15%
2. Moisture-density tests (Proctor) \$135/test
3. Washed sieve analysis \$60/test
4. Moisture content \$25/test
5. Hydrometer analysis \$150/test
6. Atterberg limits \$50/test

D. Billing

Fees and other charges will be billed at the completion of the project or as the service progresses. Sales taxes or value-added taxes will be added to the billing, if applicable. The amount of each invoice shall be due upon presentation and is past due 30 days after the date of billing. A service charge of 1.5 percent per month on the unpaid balance shall be charged on all accounts not paid within 30 days. All attorneys' fees and costs incurred in collecting past due accounts shall be paid by the Client. A lien fee of \$75 will be charged when liens are necessary. Liens may be placed if payment is not made within 90 days from when we last worked on the project.

E. Sample Management

All non-hazardous samples of water, soil, or rock will be disposed of upon submission of our report. Upon written request, GCI will store or deliver samples, for an agreed additional charge. The cost of disposing of potentially hazardous samples and cuttings will be billed to the Client.

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F. Right of Entry

Unless otherwise provided, the Client will furnish right-of-entry and locate utilities on private property for GCI to perform borings, surveys, and any other services on the property. GCI shall use reasonable care to limit damage to pavement, utilities and other improvements from its operations, and shall not be responsible for the restoration or repair of pavement, utilities and other improvements because of damage that occurs despite GCI's use of reasonable care. As a part of our services, GCI may contact the One-Call public utility locating service to provide supplemental information regarding underground utilities. The purpose of contacting One-Call would be to reduce the client's potential exposure for repair of damaged utilities. This also applies if a private utility locating service is contacted to assist with the location of utilities. By contacting One-Call or coordinating the services of a private utility locator, GCI in no way assumes liability for the direct or indirect costs associated with repairing utilities that may be damaged by our explorations. Land disturbed by GCI's explorations will be backfilled at the completion of its exploration of the site. The backfill may settle, however, and any repair of the settlement will be billed on a time-and-materials basis using GCI's standard fee schedule.

G. Hazardous Substances and Biological Pollutants

If unforeseen hazardous substances are encountered during the performance of our services, which in our judgment will materially affect the scope of services, GCI will notify the Client in writing. The discovery of unforeseen substances will constitute a changed condition which will result in the renegotiation of GCI's scope of services. Under no circumstances will GCI be responsible for investigating or discovering Biological Pollutants. GCI and its employees shall have no liability for any claim relating to any Biological Pollutant or Hazardous Substance, and Client shall defend, indemnify, and hold harmless GCI and its employees from any claim relating to any Biological Pollutant or Hazardous Substance, except for damages caused by GCI's sole negligence. The term "Biological Pollutant" includes, without limitation, molds, fungi, spores, bacteria, and viruses, and the byproducts of any such biological organisms. The term "Hazardous Substance" shall mean the same as that term is defined under federal or state law.

H. Reports

Permission to use reports and all other work prepared by GCI will not be granted until all fees and charges for our services are paid. Client agrees that all reports and other services furnished to it and its agents, but not paid for, will be returned upon demand and not be used by the Client for any purpose. GCI shall have the right to stop services on any project for the Client should the Client be late in payment of GCI's fees and charges on any project.

I. Warranty and Liability

No warranty, either expressed or implied, is included or intended in GCI's proposals, agreements, or reports. Neither is GCI a fiduciary of the Client. GCI's and its employees' liability to the Client for all injuries, damages, claims and losses (including attorneys' fees and costs), from whatever cause, whether based upon contract, tort, statute or any other liability theory, shall not exceed GCI's fees for the project. This liability limitation may be increased to \$50,000 for an increase in our fee of the greater of \$200 or 10% of the project fee. For an increase in our fee of the greater of \$1,000 or 10% of the project fee, this limitation of liability may be increased to the available limits of GCI's insurance, which has a \$1 million dollars annual aggregate for all claims.

The Client shall defend and indemnify GCI and its employees against all claims to the fullest extent permitted by law. For bodily injury or property damage arising from construction activities and caused by the negligence of the Client and GCI, the Client shall defend and indemnify GCI and its employees to the extent of the Client's negligence. For all other losses and claims, the Client shall fully defend and indemnify GCI and its employees, except for damages caused by GCI's or its employees' sole negligence. The Client expressly waives any immunity under the Washington State Industrial Insurance Act relating to GCI's and its employees' rights of defense and indemnity and acknowledges that such waiver was mutually negotiated between GCI and the Client.

Any claim asserted by the Client against GCI or its employees must be in writing, setting forth the facts upon which it is based, and must be received by GCI within two years of completion of the services under this agreement. In the event the Client makes a claim against GCI, and the Client fails to prove such claim, then the Client shall pay all costs, including attorneys' fees, incurred by GCI in defending itself against the claim. The client and GCI waive all rights against one another, including their employees, to the extent any loss is covered by general liability insurance carried by either party.

In no instance will GCI be responsible for methods of construction or safety in, on, or about the construction job site.

J. Entire Agreement

This agreement constitutes the entire agreement between GCI and the Client with respect to GCI's services and supersedes all prior negotiations, representations, or agreements, whether written or oral, except to the extent that they are expressly incorporated herein. No amendment, change, or modification of this agreement shall be effective unless in writing signed by both the Client and GCI.